



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
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February 6, 1995

Harold Marston
Jay Pagano Estate
P.O. Box 136
Wellington, Utah 84501

Post-It™ brand fax transmittal memo 7671		# of pages ▶ 2
To	Frank Regulski	
Co.	ECDC	
Dept.	Phone #	
Fax #	Fax #	

Re: Overlap in Reclamation Sureties, Pagano Clay Project and ECDC Clay Project,
M/015/062, Emery County, Utah

Dear Mr. Marston:

This purpose of this letter is to formally explain the reason for the overlap in permit area currently covered by two reclamation sureties. This issue was raised some time ago during a telephone conversation with Mr. Darin Olsen, Facilities Engineer at ECDC, and more recently in an inquiry made by Mr. Eric Englund of Sedgwick James Company.

The Pagano Clay Project was originally permitted as a Small Mining Operation having a surface disturbance of five acres or less. The actual operations disturbed more than five acres which resulted in a Notice of Noncompliance and subsequent Board Hearing. The decision made by the Board of Oil, Gas and Mining directed Pagano Clay Operations to: (1) submit a detailed *Reclamation Plan* for the site in lieu of a *complete Mining and Reclamation Plan*, and (2) post a reclamation surety to cover the costs of the reclamation which had not been completed at the time of the Board Hearing. The required reclamation work at the site was completed in the spring of 1993.

The Pagano Clay Project surety is currently in place, having recently been replaced as requested by the Division. Under the Division's Minerals Rule R647-4-111.13, revegetation of a reclaimed area is not considered accomplished until the vegetation achieves 70 percent of premining cover and has survived three growing seasons. This area will be a candidate for reclamation release after the spring of 1996.

At the same time, or immediately following the Board decision, ECDC expressed an interest in continuing clay operations in an area which would ultimately involve the Pagano Clay Project area. ECDC was informed that a Large Mining Operations Notice of Intention and reclamation surety would need to be submitted to the Division and approved prior to initiating mining in the area. ECDC submitted these items to the Division for review.

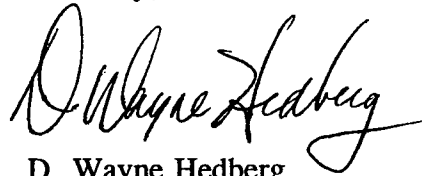
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ECDC also submitted a Small Mining Operations Notice of Intention in order to begin mining operations as soon as possible within a five acre permit area until the large mining notice was approved. The Large Mine Notice and reclamation surety were approved a short time later. At this time, the ECDC surety overlaps the area currently covered by the Pagano surety. The Pagano Clay Project and ECDC Clay Mine are both listed under the same Division file number of M/015/062.

As a Division policy, overlapping of reclamation sureties is normally not encouraged. In this case, the circumstances of both a Notice of Noncompliance and a Board Order justify a deviation from that policy. This overlap in reclamation sureties will continue until the Pagano Clay Project receives final/full release from the Division's reclamation/revegetation requirements.

We hope this clarifies the Division's position in this matter, and the reason and time frames for the overlapping sureties. Please contact me or Tony Gallegos, if you have any additional questions or concerns in this regard.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
cc: Darin Olsen, ECDC
Eric Englund, Sedgwick James
Lowell Braxton, DOGM (route)
M15-62.LET

TRANSACTION REPORT

P. 01

JAN-08-96 MON 04:24 PM

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